

Education Cabinet

Kentucky's jobless rate increases to 10.7 percent in January

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Kentucky's seasonally adjusted preliminary unemployment rate rose to 10.7 percent in January 2010 from a revised 10.6 percent in December 2009, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

January 2010's jobless rate is 1.6 percentage points higher than the 9.1 percent rate recorded in January 2009 for Kentucky. The 10.7 percent rate recorded in January 2010 matches the 10.7 percent rate in Kentucky in November 2009.

"Facing economic headwinds, Kentucky's economy continued to struggle in January 2010. The statewide unemployment rate rose to 10.7 percent in response to the third largest monthly employment decline on record and a rise in the number of entrants and reentrants into the civilian labor force," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 10 percent in December 2009 to 9.7 percent in January 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Four of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in January 2010, while six decreased and one remained the same, according to OET. A decrease of 11,800 jobs in January 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,754,200. Since January 2009, Kentucky's nonfarm employment has plummeted by 42,200.

According to the seasonally adjusted employment data, Kentucky's trade, transportation and utilities sector rose by 2,900 jobs in January 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 361,000 employees. Since January 2009, the number of jobs in this sector has dropped by 9,200.

"This represents the first increase in employment in the trade, transportation, and utilities sector since September 2009, and only the second increase in the number of jobs in this sector in the last 17 months. The job gains are concentrated in the retail trade industry, which is indicative of multiple store openings," Detzel said.

The financial activities sector increased by 2,200 positions in January 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 800 positions over the past 12 months.

Kentucky's manufacturing sector gained 400 jobs in January 2010. Compared to January 2009, jobs in the sector dropped by 14,400.

"This marks the third consecutive month of industrial employment growth. Job gains are attributed to the nondurable goods subsector, which is a sign of expansions at a food manufacturer and a clothing producer. Despite the overall expansion in the manufacturing sector, the durable goods subsector suffered job losses in January 2010," said Detzel.

The information sector added 200 positions in January 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 1,300 positions since January 2009.

The mining and logging sector remained the same from December 2009 to January 2010. The sector has lost 2,400 workers since January 2009.

Kentucky's professional and business services sector lost 5,300 positions in January 2010. This area has gained 2,800 employees since January 2009. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

"January 2010 represents the first decrease in employment in professional and business services companies since August 2009. The job losses are concentrated in administrative and support

business, reflecting the end of temporary work at a customer management/technical support center and weakness in the employment services industry,” Detzel said.

The construction sector plummeted by 5,300 positions in January 2010. Since January 2009, employment in the construction sector has fallen by 14,900 jobs.

“This marks the 19th time in the last 20 months employment in the construction sector has decreased, reflecting debility in specialty trade contractors and financial difficulties delaying commercial and public works construction projects,” Detzel said.

The educational and health services sector decreased by 2,600 jobs in January 2010. The sector had 800 more workers in January 2010 than January 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Kentucky’s leisure and hospitality sector dropped by 1,900 jobs in January 2010. Since January 2009, employment in the sector has decreased by 2,100 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

The government sector, which includes public education, public administration agencies and state-owned hospitals, fell by 1,500 jobs in January 2010. The sector has 3,400 more jobs compared to January 2009.

The state’s other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, decreased by 900 positions in January 2010. This sector had 4,100 fewer positions in January 2010 than in January 2009.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for January 2010 was 1,848,741 on a seasonally adjusted basis. This figure is up 484 from the 1,848,257 employed in December 2009, but down 36,488 from the 1,885,229 employed in January 2009.

The monthly estimate of the number of unemployed Kentuckians for January 2010 was 221,802, up 2,146 from the 219,656 Kentuckians unemployed in December 2009, and up 33,769 from the 188,033 unemployed in January 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for January 2010 was 2,070,543. This figure is up 2,630 from the 2,067,913 recorded in December 2009, but down 2,719 from the 2,073,262 recorded in January 2009.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.